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The Director of Central Intelligence  
Washington, D.C. 20505

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National Intelligence Council

NIC 05390-85  
28 October 1985

MEMORANDUM FOR: Director of Central Intelligence  
Deputy Director of Central Intelligence

FROM: Graham E. Fuller  
National Intelligence Officer for NESA

SUBJECT: Middle East Politics: Are the Tectonic Plates Shifting?

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1. Dramatic developments in the Middle East such as war, major hijackings or military attacks, invariably shake loose the heavy tectonic plates of Middle East politics. We may now be entering a new stage of fluidity which could result in some major realignments of considerable importance to US interests in the region. It is too early to be sure that any of these changes will take place, but some initial tremors have already been felt.

2. The essence of these changes would primarily involve Syria and Iraq. A major realignment of existing relationships could bring about any of the following shifts:

- A Syrian-Jordanian rapprochement.
- A Syrian-Iraqi rapprochement.
- A shift of the PLO to Baghdad.
- A unified Arab front against Iran, stripping Iran of any Arab ally.
- New isolation for the Iranian regime, weakening the Islamic regime but heightening opportunities for Soviet penetration.
- Willingness of all the Gulf states to normalize relations with the USSR.

3. Jordan and Syria. Hussein probably now believes the US will not be capable of reaching any accommodation with the PLO, thereby closing off meaningful opportunities in the peace process. Hussein effectively has also been denied arms by the US. Under such circumstances Hussein

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will no longer wish to be exposed to Syrian attack and will move toward rapprochement, utilizing his current Prime Minister Rifai who is known for his ability to deal with Damascus.

- Under these circumstances, Hussein's relations with the US will cool considerably. He will wish to keep the door open but the warmth and intensity of the days of promise in the peace process will be gone.
- Hussein will not wish to break with Arafat unless Arafat commits an egregious anti-Jordanian act or promotes obvious terrorism against Israel out of Jordan--exposing Jordan to Israeli attack. Hussein may well end up expelling the PLO's Force 17 and Western Sector offices from Jordan, however, to avoid complications with Israel.
- Jordan will be more sensitive to Syrian views on the Middle East problem; Damascus will have essentially proved its point that Washington cannot deliver a workable peace process.

4. The PLO. Arafat himself is in a difficult situation. He has lost credibility with such moderates as Tunisia, Jordan, and Egypt as well as moderate West Bankers who want peace. He does not, cannot, or will not control those elements of the PLO which insist on continuation of the armed struggle against Israel--either within Israel or abroad--as proof that the PLO is still a vital and effective force to be reckoned with in the region. As weakened as he is, Arafat is still recognized by virtually everyone as the titular leader of the Palestinians. We see no sign of any alternative movement or leadership stepping forward to replace him. The West Bank will stick with him indefinitely.

- Arafat may now be strongly tempted to move his base of operations to Baghdad. Baghdad will give him greater freedom of action, especially if Arafat's relations with Hussein grow increasing awkward and embarrassing.
- Baghdad may be the only base from which the PLO can continue armed action against Israel with relative impunity.
- Arafat will not wish to close his door to Jordan however. The West Bank is Palestine, and Arafat cannot afford to cut himself off completely or eliminate all his options.

5. Iraq. Iraq is one of the major factors in any shift of the kaleidoscope. Several key issues impinge upon Iraq's choices:

- Iraq needs to eliminate Syrian-Libyan support to Iran in order to further isolate Tehran; Baghdad especially wants to cut off arms supplies from those two states.

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- Baghdad will welcome the PLO establishing itself in Baghdad as a means of strengthening Iraq's own credentials as a center of Arab politics. It thereby also denies the mainstream PLO to Syria, giving the lie to Syrian pretensions that Damascus is the ultimate defender of Palestinian interests.
- A PLO presence in Baghdad will greatly complicate US ties with Iraq. If the PLO continues terrorist operations against Israel, it could lead to weakening of US support for Iraq. Baghdad cannot afford to alienate the US or lose access to US technology, but Iraq knows that Washington does not want Baghdad to collapse before Khomeini's hordes either. Baghdad has recently started taking a harsher line against US policies in the region--reasserting itself for the first time in nearly six years as a sharper voice in the Arab-Israeli conflict. Iraq's strengthening of its "Arabism" would strengthen its command of an important role in the Arab world in the years ahead.
- PLO operations out of Baghdad will eventually lead to an Israeli attack against Baghdad and Tunisia. US ties with Baghdad would unquestionably suffer from such an incident.
- Those of us who have been skeptical of long term Iraqi moderation may now be seeing some early evidence of a gradual shift--especially if an Iraqi victory is nearer--which will make Iraq much less comfortable to live with, even if it does not revert completely to the violent revolutionary tactics of the 1970s.
- Iraq is already playing a greater Arab role in vigorously supporting Tunisia against Libya, and greater activity in North Yemen and Sudan.

6. Syria. Syria would be the critical swing state in a realignment involving rejection of Iran and a rapprochement with Baghdad. The following factors would come to play in such a Syrian decision:

- Iraqi attacks on Kharg Island are making it more and more difficult for Iran to deliver oil to Syria, or to continue tolerating Syria's non-payment for the oil delivered.
- Syria is now more concerned with internal Lebanese events than it was when it was struggling to expel the US and the Israelis from Lebanon--a struggle in which Iran was then a critical supporter. Indeed, Iran continues to support factions troublesome to Damascus inside Lebanon and complicates Syria's life--for less and less clear benefit to Syria.

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- Syria may now want to cut the embarrassing Iranian connection, in which Damascus supports Persians against Arabs in the Iran-Iraq war.
- The USSR has long urged a Syrian-Iraqi rapprochement.
- Syria may not wish to let Baghdad seize control of the moderate PLO, and could at least blunt some of this by improving relations with Baghdad, particularly by opening Iraq's oil export pipeline to the Mediterranean.

If an Iranian-Syrian relationship is unnatural, then a Syrian-Iraqi relationship is historically not an easy one either. Nonetheless, the two could coexist for a period of time if their interests coincide. Syria will have to decide whether it can better afford to support Iraq's enemy, i.e. Iran, or to attempt to come to terms with Baghdad itself.

7. Saudi Arabia. Saudi Arabia is the great matchmaker and go-between of the region, attempting to patch up awkward conflicts wherever possible. Saudi Arabia could play a significant role in a realignment.

- The Saudis have always wanted to stop Syrian support for Iran, and to see Damascus return to the "Arab fold."
- The Saudis can provide the oil for Damascus that Iran is harder put to provide--perhaps the price that Syria needs to consider an Iraqi rapprochement. The Saudis could provide other sweeteners as well.
- Saudi Arabia is already working to restore Syrian-Jordanian ties to smooth over dangerous rifts caused by the peace process.

Whatever all of this does for the Arab world, it does not do much for a US peace process or for a moderate camp more responsive to US interests.

8. The USSR. Such a shift would please the USSR. Several Soviet interests are involved:

- The USSR will continue to try to reunite the PLO. Arafat in Baghdad is probably better than Arafat in Amman for Moscow. Syria and Iraq both cooperating on PLO would be best of all.
- Iran becomes more isolated, and probably more desperate for support--opening some opportunities for the USSR, or bringing Tehran closer to collapse, in which the USSR would see greater opportunities as well.

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- The Arab world sees the US increasingly hostile to the PLO and by extension the Palestinian cause. The US loses credibility as an architect of peace in the region. Arab desire for a Soviet role in a peace settlement grows. The Gulf states become much more likely to establish relations with the USSR.
- In the face of US inability to sell weapons to the Arab world, the USSR looms as a greater weapons source, particularly as the USSR now needs oil itself. As its own production dwindles, opportunities for weapons-for-oil barter deals become greater.
- It is too early to tell whether many of these changes or only a few will take place in the months ahead. Any of these changes will introduce new calculations into US strategy for the region.
- Under most of these circumstances, US influence is diminished.
- The US will find moderate regimes less comfortable to deal with.
- Increased terrorism against Israel and the West may polarize US-Arab relations more sharply.
- While a weakened and more isolated Iran could be good for US interests, we probably have no options ourselves in Iran unless we have arms to offer.
- A slightly less dangerous Iran will diminish willingness of the Gulf states to enter into any security arrangements with the US.



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